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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
KEITH W. COOLEY, DIRECTOR

LINDA A. WATTERS
COMMISSIONER

July 23, 2007

MEMORANDUM

To: Health Care Providers, BCBSM Subscribers, Interest Groups,
and Other Interested Parties

From: Susan M. Scarane
Health Plans Division

Subject: Public Input on Blue Cross Blue Shield of Michigan's
Home Health Care Provider Class Plan

Under 1980 P.A. 350, as amended, the Nonprofit Health Care Corporation Reform Act (Act), Blue Cross Blue Shield of Michigan (BCBSM) must develop and maintain a "provider class plan" for each type of health care provider that provides services to BCBSM subscribers. A provider class plan must include a description of the reimbursement arrangement used by BCBSM to pay providers; measurable objectives for meeting the access, quality of care, and cost goals specified by Section 504 of the Act; and, in the case of those providers with which BCBSM contracts, a copy of the provider contract. Each plan must also show how BCBSM proposes to balance the goals stated above.

Attached is a copy of Order No. 07-042-BC, dated July 23, 2007, providing notice of intent to make a determination on the home health care provider class plan, pursuant to Section 509(2) of the Act. Included with the order is a copy of the home health care provider class plan filed on December 20, 2000 and the modifications to the home health care provider class plan filed by BCBSM on April 6, 2006 and February 13, 2007.

Section 505(2) of the Act requires that the Commissioner of Financial and Insurance Services establish a procedure to gain input into the review and development of provider class plans prepared by BCBSM. Attachment A to the Order For Notice of Intent to Review contains a list of questions pertaining to the home health care provider class plan. We would appreciate any comments you may have with respect to these questions or any other matters concerning the home health care provider class plan. Written testimony will be accepted through October 19, 2007, when mailed, faxed or e-mailed to:

Office of Financial and Insurance Services

Health Plans Division

Attention: Susan M. Scarane

P. O. Box 30220

Lansing, MI 48909

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E-mail: scaranes@michigan.gov

BCBSM is required to file an annual report for each provider class with the Commissioner of Insurance regarding the level of achievement of the above-mentioned goals. Pursuant to Section 517 of the Act, these reports need to include the data necessary to make a determination of BCBSM's compliance or noncompliance with the goals and compliance with objectives contained in each provider class plan. A copy of BCBSM's 2005-2006 annual report for the home health care provider class is available at the OFIS website at www.michigan.gov/ofis, or you may obtain a copy of the report by contacting Shannon Moreno at (517) 241-4549.

If you prepare and distribute a newsletter or other publication, I would ask that you include information about the opportunity to provide written testimony on BCBSM's home health care provider class plan in any such publication for the benefit of your readership. All of the enclosed written materials are available at the OFIS website at www.michigan.gov/ofis. Thank you for your assistance in this regard.

If you have any questions regarding the above referenced matter please contact me at (517) 335-2052.